

Minutes of January 30, 2024 San Joaquin Health Centers Board of Directors

Board Members Present: Greg Diederich (Interim CEO); Monica Fuentes; Brian Heck (Board Chair); Cynthia King; Karen Lee; Samantha Monks; James Myers; Kristin Shinn; Tarsha Taylor-Godfrey

Excused Absent: Jodie Moreno

Unexcused Absent: Rod Place (Treasurer)

SJHC Staff: Ahdel Ahmed; Michael Allen (Board Clerk); Kim Cuellar; Jonathon Diulio; Mary-Lou Milabu; Rajat Simhan; Susan Thorner; Kris Zuniga

Guests: Brandy Hopkins; Jennifer Scott

AGENDA ITEM	ATTACHMENTS	ACTION
<p>I. <u>Commencement/Call to Order (Brian Heck)</u></p> <ol style="list-style-type: none"> The meeting was called to order at 5:34 p.m. A quorum was established for today's meeting. SJ Health Board of Directors' Attendance Record was made available. 	2023 Board Member Attendance	No action required
<p>II. <u>Public Comment</u></p> <p>No public comment.</p>	No attachment	No action required
<p>III. <u>Consent Calendar (Brian Heck)</u></p> <ol style="list-style-type: none"> The consent calendar for January 2024 was presented: <ol style="list-style-type: none"> Minutes of SJ Health Board Ad Hoc Meeting 01/06/2024 	Board Minutes 2024-01-06	<ol style="list-style-type: none"> Kristin motioned to accept the minutes from the ad hoc meeting and Tarsha seconded; minutes were approved unanimously
<p>IV. <u>Regular Calendar (Brian Heck)</u></p> <ol style="list-style-type: none"> The Board was introduced to Interim COO Reuben Pettiford. The Credentialing & Privileging Report was presented. Initial appointments are Aleisha Woods, CNM; Dan Lamber, PA; Dennis Nguyen, NP; Ramiro Zuniga, MD; Rowena Korobkin, MD; and Sophie Reeher, PA. Reappointment is Randeep Johl, MD. Resignation is Rosemary Nunez-Davis with a separation date of 3/8/24. The December financials were presented by Kris Zuniga. Billable visits for December are unfavorable to budget by 3,007 visits. The decline in visits is mainly related to vacant positions and physician turnover in FY24. The recruitment efforts are ongoing to fill the vacant positions. Net Patient Service Revenues for December are favorable to budget by \$834,298, which is mainly related to a true up adjustment recorded for \$1,389,977 for FY2023 PPS reconciliations. Also, YTD financials include a favorable adjustment of \$126,100 related to the true up of prior period payment received from DHCS in July 2023. YTD financials reflect an estimated July through December PPS liability accrual of \$150,000. <p>The payment for \$2,911,137 pertaining to the outstanding Medi-Cal PPS liabilities due to DHCS for FY2020 and FY2021 has been made in full and is reflected on the YTD financials.</p>		<ol style="list-style-type: none"> No action required Karen motioned to accept the C&P report and Monica seconded; C&P report was approved unanimously Kristin motioned to accept the December financial report and Karen seconded; motion was approved unanimously No action required James motioned to accept the changes to Form 5A and Kristin seconded; motion was approved unanimously

YTD Supplemental Revenue includes the recognition of estimated Quality Incentive Program (QIP) revenue for \$5,929,974, which plays a significant role in the profitability of SJHC. Combined Grants Revenue includes revenues for CCAEC, Exact Sciences Focus Program, ARPA, ACE/Practice, Test To Treat Equity, Heluna Health, HRSA Expanding Covid Vaccinations, SOR3, Path Cited, Discovery Challenge Academy, ECM, and HHIP Street Medicine grants for \$1,647,352. Also, YTD ARPA grant revenues are higher compared to budget due to the recognition of \$794,322 for activity related to July 2022 through September 2023 period. YTD financials include Capitation Revenue for \$3,180,316 with consistent monthly physician capitation payments. The 340B Pharmacy program revenue for \$1,091,135 has been reflected on the YTD financials and is higher than the budget by \$238,198. The increase in 340B program revenues is mainly due to the recognition of CVS pharmacy related revenues for \$361,005 on the YTD financials. YTD financials include Managed Care Incentives revenue for \$503,362 mainly related to the HEDIS incentive payment of \$503,092 received in December for Year 2022. Due to the underperformance on the HEDIS measures, the incentive revenue payment SJ Health received is lower than the total potential incentive payment of \$1M. Other Revenue includes revenues accrued for \$307,500 related to Purchased Services provided to SJGH by SJHC per the MOU. YTD Interest income for \$329,971 has been reflected on the financials, which is favorable compared to budget by \$296,107 mainly due to higher cash balance. Total YTD Operating Revenue is unfavorable to budget by \$106,478 primarily due to the decline in billable visits and budgetary underperformance in the SJHC grant portfolio.

Salaries and Benefits expenses exhibit a favorable variance to budget by \$1,292,747 which is mainly related to lower benefits expense. For purposes of annual budgeting, per SJ County direction, county employees purchased by SJHC were budgeted at 66% benefits cost to salaries. Year-to-date actual benefits cost as a percentage of salaries, as of December 2023 is 41%. Other operating expenses exhibit an unfavorable variance of \$357,100 largely due to an unfavorable variance for \$1,158,280 in Professional Fees, Dues, Repairs, Depreciation, Telephone, Insurance, and Advertising expenses offset by a favorable variance of \$801,179 reflected in the Supplies, Purchased Services, Interest, Office, Travel, Utilities, Rent and other expense categories. An estimated expense for the Purchased Services is recorded for July through December based on the MOU. YTD total Operating Expenditures are favorable to budget by \$935,647.

Unaudited, as presented, Net Income of \$1,394,771 on a year-to-date basis is favorable compared to budgeted Net Income of \$565,603. YTD Net Income is favorable mainly due to the recognition of unbudgeted revenues related to PPS reconciliations for prior periods and Managed Care Incentive payments for \$1,516,077 and \$503,092 respectively.

Capital Link fiscal year benchmarks were reviewed, showing

6. James motioned to accept the updated C&P Policy and Karen seconded; motion was passed unanimously
7. Kristin motioned to accept the plan to ensure quorum and Karen seconded; motion was approved unanimously
8. Kristin motioned to approve the change in meeting dates and Monica seconded; motion was approved unanimously
9. No action required
10. Kristin motioned to grant SJ Health authority to submit the UDS report and Samantha seconded; motion was approved unanimously
11. James motioned to approve pursuing IPP funding and Kristin seconded; motion was approved unanimously
12. No action required

<p>Operating Margin at 5.7% against a goal of >3%, Bottom Line Margin at 5.7% against a goal of >3%, Days Cash on Hand at 161 against a goal of >45 days, Days in Net Patient Receivables at 25 against a goal of <60 days, and Personnel-Related Expenses at 77% against a goal of <70%.</p> <ol style="list-style-type: none"> 4. A summary of our recent HRSA on-site visit (OSV) was presented by Greg Diederich. There were 5 minor findings, including: adjustment of Form 5A regarding Radiology & Mammography; inclusion of immunization requirements in C&P policy; inclusion of preference of clinic access times in patient surveying; some Billing & Collection items not submitted within the 14-day timeframe; and no quorum at the December 2023 Board meeting. We expect to be able to resolve all of findings prior to the end of our correction period. 5. An updated Form 5A showing inclusion of Radiology & Mammography was presented to the board for consideration. It was approved unanimously. 6. The Board was presented an updated Credentialing & Privileging Policy, which now includes verbiage regarding required immunizations. The updated policy was approved unanimously. 7. Due to the lack of quorum in December 2023 being a HRSA finding during our OSV, the importance of achieving a quorum at each monthly meeting was noted. The corrective action plan was reviewed and discussed with the Board. The possibility of holding meetings earlier in the month was suggested as a possible way to have make-up meetings that still fall within the calendar month, should a quorum fail to be achieved at the normally scheduled meeting. 8. The Board discussed the possibility of moving the scheduled monthly meeting to a date earlier in each month. It was decided to keep all meetings during the last Tuesday of each month with the exception of November moving to 11/19/24 and December moving to 12/10/24. 9. The Clerk of the Board polled the members in attendance to confirm they still meet membership requirements, including: that none of them are an employee or officer of San Joaquin County, any City in SJC, the State or Federal government; that none of them have ever been convicted of a disqualifying felony; that none of them are related by blood, adoption or marriage to any employee or officer of SJ Health or SJC; and that there are no known actual or apparent conflicts of interest with respect to Board membership. All members present completed an annual attestation of requirements. 10. The Board was asked for authority to submit the UDS report. This was granted by a unanimous vote. 11. The Board was asked for approval to pursue IPP funding through HPSJ. This was granted by a unanimous vote. 		
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<p>12. Greg Diederich presented the monthly CEO report to the board. Of note were the advances with the Liaison Committee, restructuring of the clinical support staff to add tiers and spread out administrative and daily duties, QIP improvements and goals, community reinvestment funding opportunities,</p>		
<p>V. <u>Closed Session (Greg Diederich)</u> The closed session was commenced by Brian Heck pursuant to an update on significant exposure to litigation [Gov Code §54956.9(b)]. Nothing to report out of closed session.</p>		<p>1. No action required</p>
<p>VI. <u>Adjournment (Brian Heck)</u> There being no further topics of discussion, Brian Heck adjourned the meeting at 7:14 p.m.</p>	<p>No attachments</p>	<p>No action required</p>

***NOTE: Board Member joined remotely**